Roads Aim to Prosper Through Economies

More Savings Believed Possible in Reduction of Costs of Materials and Labor Waste

APPROXIMATELY 64 per cent of the total expenses of the railroads in 1920 was wages paid to labor, leaving about 36 per cent for materials. There was a small deficit from the operation of the 235,000 miles of the larger railroads in 1920, and a net railway operating income of $1,040,000,000 from the operation of 231,000 miles of railroad in 1916, the last year before the United States entered the war. The problem which the railroad managers now face is to make a saving in operation expenses of as near a billion dollars as is possible.

Naturally the first inquiry is as to how much can be saved in the labor payment, since this bulks so much larger than materal costs. The total amount actually paid to railroad employees in 1920 was $3,698,000,000, and the so-called Order No. 2 increasing railroad employees' wages 20 per cent was in effect from May 1, 1920, and not from January 1. If the wage increase had been effective January 1 the total 1920 wage bill would have been $3,913,000,000. The Wage Board has allowed a reduction of 12 per cent. This makes possible a saving of between $400,000,000 and $500,000,000.

The Wage Board refused to permit the abrogation of the national agreements. The national agreements are a set of rules which prescribe uniform working conditions and uniform wages for minutely described classes of work for all railroad employees, whether living where $15 a month rents a comfortable house and garden or where a flat costs $35 a month. It has been estimated that the abrogation of the national agreements would save the railroads $300,000,000 and that the abolition of full crew laws, what the employees themselves call feather-bed allowances, etc., would save the railroads another $300,000,000. Probably for the time being the percentage of decrease of wages which has been fixed by the recent decision of the Wage Board cannot be modified by railroad managers. There remains, therefore, the question of a reduction in the number of men employed and a gradual modification, if not abrogation, of the national agreements and the full crew and feather-bed allowances. There is here a $600,000,000 stake to work for, and probably there are a few railroad managers who would acknowledge that they are beaten by the Wage Board on this question and who are ready to lie down on it. Most of them believe that they can get at least a slice of that $600,000,000.

The question of economies through modification of uniform and uneconomical conditions of work is inextricably interwoven with that of a reduction in the number of employees. The year 1916 is a good one with which to make comparisons, for in that year the railroads were clearly solvent and traffic conditions were comparable to what may be expected when a general revival of business takes place, making allowance for normal annual increases. In 1916 the total number of revenue ton miles carried was 362,444,000,000, and in 1920 the revenue ton mileage was 409,971,000,000. The number of passengers carried one mile in 1916 was 34,586,000,000, and in 1920 was 46,725,000,000.

Ton miles and passenger miles are the best measure of volume of business handled by railroads, but expenses are measured more accurately by train miles. The total freight service train mileage in 1916 was 641,000,000 and in 1920 634,000,000. The total passenger train mileage was 583,000,000 in 1916 and 572,000,000 in 1920. The total transportation service train mileage, therefore, was, roughly, 20,000,000 less in 1920 than in 1916. This is less than 2 per cent, but shows a considerable gain in operating economy, since the volume of traffic was more than 10 per cent greater in 1920 than in 1916.

Reductions of Forces

The number of employees in railroad service in 1920 was 2,032,000. In 1916 it was 1,647,000. If one road made a showing such as this—namely, a reduction in train miles in the face of an increase in the volume of traffic—and instead of showing a smaller number of employees showed a much greater number, the president of that road would be likely to start looking for a new general manager. An analysis of the work of the employees shows that employees on an hourly basis worked approximately 7 per cent more hours in 1920 thain in 1916 and those on a daily basis 13 per cent more. These figures do not mean that each employee who was on an hourly basis worked more hours in 1920 than in 1916, merely that there were more employee hours and employee days spent on railroad work.

It is difficult for a railroad manager to take his own detailed figures and determine exactly what causes are to blame for a 7 per cent increase in the number of employee hours and the 13 per cent increase in the number of employee days with an actual decrease in train miles, and quite impossible to make even a guess without detailed figures at how much the national agreements are responsible for this result and how much conditions which are now under the control of the managers were responsible for the reult. It can be said, however, that these figures for the number of employees shows one of the important points of attack for railroad managers on operating expenses.

Total railroad operating expenses are divided under the Interstate Commerce commission regulations, into maintenance of way, maintenance of equipment, traffic expenses, transportation expenses, miscellaneous operations and general expenses. A reduction in the amount of labor expended in transportation is a real and permanent economy, and it has been towards such a reduction that the best efforts of American railroad managers has been aimed. The most important factor of reducing the number of men hours in transportation is to increase the trainlaod, or to put it the other way around, to haul the same volume of traffic with a less number of train miles. Road freight brakemen and flagmen's wages constitute 4.29 per cent of total compensation Road enginemen and motormen, 3.11 per cent; firemen and helpers, 2.30 per cent; freight conductors, 2.22 per cent; passenger enginemen, 1.15 per cent; passenger, brakemen and flagmen, 0.90 per cent; passenger conductors, 0.87 per cent; passenger firemen and helpers. 0.84 per cent;—a total of 15.77 of th railroad wage bill in 1920. Wages of these men are directly dependent on the numbr of trains run. an increase of 25 per cent in the average trainload, decreases the number of trains run by 25 per cent and makes a clear cut saving of the wages of enginemen, trainmen, etc., to a corresponding amount.

The limit has by no means been reached in regard to average trainload. On many roads probably the limit in number of cars and weight of lading of particular trains has been reached, for the time being. On the Virginian or Norfolk & Western, it might not be economical to increase the size of locomotives in order to gain a heavier trainload, but even on these roads, the difference between the train hauling 6,000 or more tons back of the tender and of which more than 4,000 tons is revenue freight and the average trainload is great enough to suggest further possibilities of a gain in train loading. The average is 1,100 tons. With this decrease in train miles, railway managers hope, a process of elimination of extra men will go on, which will make considerable saving.

Savings in Maintenance

With the elimination of train mileage there will also come some reduction in shop forces, men employed in round houses, and maintenance of equipment forces generally. Further reduction of the number of employees in maintenance is dependent almost entirely on the ability of shop foremen and master mechanics to modify the national agreements and to increase the efficiency of the individual men employed.

Maintenance of way and structures economy in labor will depend also almost entirely on the ability of road masters and division engineers to get more work per man hour out of their gangs.

Legions of Clerks

A more important class of employees insofar as the bulk of their wages go than most people think is the clerks. In 1920 the total paid to clerks was $416,000,000. This was an increase of $231,000,000 over 1916. Here there is presented a considerable field for saving in labor costs. There is also a considerable difference of opinion as to how that saving ought to be effected. Auditors have the problem thrust at them with greater force than any other set of officers, and the difference of opinion is marked. Some auditors believe that the greatest economy can be effected by paying the lowest wages which it is possible to get help for, and while in theory they acknowledge that there is a difference in efficiency between different men, they hold that the class of labor that becomes clerks is of a more or less uniform inefficiency. Intensive training and selection costs more, they believe, than it is worth. Others hope clerks' wages will not return to anyt ng like the w scale of pre-war period, but hope to make economy by the reduction in the number of their forces, brought about by intensive training and increased efficiency of individuals.

Other Reductions

L. F. Loree, president of the Delaware & Hudson, estimates that a reduction of $300 000,000 can be made in railroad operating costs by the decrease in the cost of materials. Fuel is the largest single item in the railroad's consumption of materials list and the increase in cost in this item is enormous. In 1916 $251,000,000 was spent for fuel and in 1920, $673,000,000, and it must be remembered that the train mileage was less in 1920 than in 1916. There have already been considerable reductions in the prices of bituminous coal. During 1920 some of the New England roads paid as much as $12 to $14 a ton for fuel coal. The price at the mines has decreased until it is possible to get coal in New England now for $7, or a little less when shipped by rail, and further reduction in the cost is made by shipment by water from Norfolk.

In the reduction of the fuel bill there are great economies to be made and these economies are in part a matter which management can effect even if the cost a ton does not return to pre-war figures. The waste of coal on railroads is great. The facts have been acknowledged many times by railroad men and some managers have made a hard drive to reduce these wastes. But such drives have been temporary, and while the element of human nature which enters into fuel economy and fuel waste is peculiarly hard to deal with, nevertheless, these costs present a fairly large opportunity for railroad managers to make savings. Nearly 11 cents out of every dollar of revenue in 1920 was spent for fuel.

Other Opportunities

Loss and damage to freight also presents an opportunity. In 1916 only only nine-tenths of a cent of every dollar of revenue was paid out for loss and damage to freight, while in 1920 two cents was paid out on this account, and in 1919, when the government was operating the roads, 2.3 cents was paid out.

Materials and supplies other than fuel cost the railroads 17.23 cents out of every dollar of revenue in 1920. Rails, ties, materials used in the repair of cars and locomotives, bridge material and ballast are among the largest single items of railroad consumption of materials, but the railroads also are large users of office supplies and materials and a great number of other like articles. So far there has been comparatively little reduction in the price of rails, some reduction in the price of ties and a considerable reduction in paper and many other classes of office supplies. Mr. Loree's estimate of $300,000,000 does not seem overoptimistic.

Outlook Better

If a reduction of $450,000,000 is made in wages through the cut made by the Wage Board, $300,000,000 is saved in materials, supplies and fuel costs, and a further $300,000,000 is saved through a modification of the national agreements and abolition of extra men on crews, etc. (this is half of the total saving that the managers estimated could be saved), the total gain in net revenue after the payment of expenses, taxes and rentals will be slightly over $1,000,000,000. This would make the railroads, as a whole, solvent, providing that the traffic conditions are no worse than they were in 1920. There is among some railroad men in the East a considerably more optimistic feeling in regard to increased earnings th n there was earlier in 1921.

Bigger Retail Sales Yield Smaller Profits

THE business depression has had a curious reaction on the general retail field. Big department stores and specialty shops, contrary to expectations, even of the merchants themselves, are doing a large volume of business. Executives of half a dozen leading stores in this city are emphatic in their statements that the volume of business in units of merchandise is far in excess of what it was a year or even two years ago. Income from this enlarged distribution, however, is smaller, owing to lower prices. This is the crux of the retail problem as several of the leading merchants view the situation at present.

Income from sales bids fair to remain at its present level, or to recede with further declines in prices. At the same time efforts to bring down overhead or general selling expenses in the stores have been only partly effective. The margin of net profit left the retailer is shrinking constantly, and although not at the danger point yet, forms a feature of the business that is giving rise to some hard thinking and planning in the executive offices of the big retail distributing plants.

Most retailers still view the wholesale markets in general with a certain amount of apprehension. The retailer is far from convinced that prices of most commodities have reached their lowest levels. The hand-to-mouth policy of laying in new stocks is still being adhered to with the utmost rigidity in most of the New York establishments.

The Elusive Bottom

"We have been fooled so often on the 'rock bottom' price idea," said the vice-president of a Fifth Avenue department store the other day, "that we have come to regard all prices as unstable. Especially in women's apparel we have found that as the weeks, and even days, go by we can go into the market and buy goods cheaper and cheaper. Of course, the drops from day to day or week to week are much smaller than they were several months ago, but at the same time we are operating on such a close margin of gross profit now that even these slight price changes affect our business. The only way to play the game safely is to buy goods in small quantities and then push them out rapidly before they depreciate in price or in style."

The style element is one of the biggest problems in the real estate field now, and stories of large losses on merchandise that has suffered from a quick change in style are frequent. Retailers of shoes who guessed wrong on the large tongue and Colonial pump styles this summer have taken some big losses. The vogue among women for fabric hats has caused some appreciable losses to retailers who had played the straw hat as the season's winner. All through the list of women's apparel there are dozens of cases of this kind, where profits have been eaten up by the reductions that had to be taken on merchandise that has gone out of fashion.

The spring and summer season in women's clothing and dress accessories this year, say the merchants, has seen more changes in style than any season in their experience for years. To make matters more difficult staple merchandise is in light demand, and the highly styled commodities have first call among the shopping public.

When the business depression began to make itself felt and unemployment was talked of as a leading factor in reducing the spending capacity of the general public there was a logical conclusion among the retailers that cheaper merchandise would spring into large demand, through economizing tendencies on the part of ultimate consumers.

Price Now Essential

"We informed our buyers," said one store executive, "that price was to become the essential factor in merchandising goods to the public. However, contrary to our expectations, as we review our sales sheets from week to week, we find that our more expensive merchandise is outselling the cheaper goods. We can't explain this even to our own satisfaction. In our advertising we have stressed lower prices and have featured the cheap merchandise. Possibly this brings customers into the store, but upon comparing quality they decide in favor of the better quality goods, which naturally are more expensive.

"One thing we all have noticed, however, is that the general public is insisting more strenuously on good quality, no matter what price is paid. During the war and in the boom times following there were comparatively few complaints about quality. People seemed willing to accept almost anything and pay the price. Shortages and substitutes evidently had been so widely press-agented that people accepted what was given them as the best that could be had.

"This tendency has been completely reversed now. Customers take longer in making their decisions before buying and ask more questions of our sales people concerning the wearing qualities of merchandise. I think that merchants have profited by this tendency and that the grade of merchandise now being given the public is of much higher quality than it was a year or two years ago. The merchant, seeing that his customers demand the utmost in quality, is in turn demanding it of his wholesaler or manufacturer."

The purchasing of a greater number of units of merchandise by the general public has not been without its adverse effect upon the stores. One merchant pointed out that the greater number of transactions has added greatly to the overhead, through imposing more work on the accounting, wrapping and delivery departments. This comes at a time when the merchants are striving to bring down the cost of doing business.

The tendency among the retail stores has been and still is to dispense with all unnecessary help and to operate with much smaller staffs than were used a year or two ago. Little has been done toward reducing individual wages, and no horizontal wage reductions have been made among the local stores, so far as can be learned.

Help Problem Acute

"The help problem is still a pressing one," said an executive of one prominent store. "There is a tendency on the part of our workers to give us more work for the same money we were paying them during the boom times. We hesitate to reduce wages, and have chosen rather to reduce our staff as a means of cutting down expenses. The remaining workers, in both selling and non-selling departments, have been given to understand that the retention of their positions depends largely upon increased individual efficiency. Records actually show a betterment of efficiency in almost every employee."

Through the spring and up to the present time the apparel departments have been the leaders in the volume of business. Accessories and personal furnishing goods appear to come next. Other departments are characterized as "fair," and the really slow departments are housefurnishings and the like. The dullness in these goods is ascribed to two causes: First, the shortage of houses that has prevented much moving, which always created a demand for new furnishings, and second, the fact that prices of these commodities have not shown as great a drop as have the prices of apparel.

Some of the stores that formerly budgeted their purchases for six months in advance have abandoned this method and have adopted instead policies that are flexible and permit of expansion or curtailment to suit the varying changes in the wholesale markets or the buying temper of the public.

Every possible source of information is being tapped by the department store executives to get a line on wholesale trends and influences affecting the buying power of the public. A searcher for information on retail conditions is usually "pumped" for information on other subjects by the retail executives. "How do you find things in the wholesale markets?" "What do you think of the iron and steel business?" "What is the automobile trade doing?" These are a few of the questions that retailers ask of others in their quest for information that will guide them in shaping their own buying and selling policies.

Competition Keen

Retailers admit that present competition in New York is the keenest in years and that some of the low retail prices are based not on the cost of merchandise but upon selling competition only. One retailer recently made the assertion that he was ready to sell silk hose costing him $12 a dozen at 95 cents a pair if forced to do so by competition.

Hopes of making big profits in the retail field this year have been abandoned by most merchants. Many of them frankly state that they will be glad to break even if they can build up good will which will yield them a profit when times become normal again.

TAPE MEASURES

By Morrie Ryskind.

I

BALLADE OF SAFETY FIRST

Ponzi offers fifty—
Everybody buys:
Careless folk and thrifty
Listen to his lies.
Now they use their eyes
And the sign they see
In financial skies:
"Six per cent for me!"

If it seems *too* nifty,
Ponder and be wise:
See if he seem shifty—
Listen to his lies!
Hearken while he cries:
"This yields forty-three!"
Say, "For other guys—
Six per cent for me!"

Be you "But"—and "If"-ty;
See what he replies:
An his *lute* be rifty,
Listen to his lies
Turn to moans and sighs—
Ends his melody.
This song never dies:
"Six per cent for me."

L'Envoi

If he argufies,
Listen—to his lies!
Then say, *"That's* n. g.—
Six per cent for me!"

Steel Prices Now on More Uniform Basis

Reductions of $4 to $10 Ton Put Quotations Where Actual Selling Levels Have Been for Some Time

Special Dispatch to The Tribune

PITTSBURGH, July 9.—Virtually all independent steel producers in this district fell in line with the lowered quotations announced by the Bethlehem Steel Company and the United States Steel Corporation this week. The reductions range from $4 to $10 a ton on various finished products and semi-finished steel. The new prices bring the average about $25 a ton under the War Industries Board level. The action of the Bethlehem company and the Corporation caused less comment here than would ordinarily have been the case, inasmuch as it placed nominal quotations where actual selling prices have been for some time.

The industry is benefiting somewhat from an apparent increase in building activities throughout the country. Such materials as nails, wire products, reinforcing steel, sheets, fabricated products, conduits and the like are in stronger demand than other lines.

Joseph G. Butler jr., a director of the American Iron and Steel Institute, attributes the apparent slump in sheets and plates to an overexpansion in productive capacity during the war. Withdrawal of war demands left the country with greater capacity, and any slump in the ordinary requirements, he points out, would therefore appear more pronounced than it really is. Mr. Butler believes the gradual increase in demand, together with the new uses to which sheets and plates are being constantly put, will soon absorb this excess capacity. He voices the prediction that business will remain quiet during the summer, but will pick up in the fall, gradually gaining strength until the first of the year.

New Orders Much Improved

Julius Kahn, president of the Truscon Steel Company, states that the inflow of new orders with his company is much improved, especially from the building trades. Mr. Kahn states production is being enlarged to take care of the larger demand.

Plate makers are more optimistic than they have been for some time, owing to the overhanging business from car repair interests. Some of the railroads have already made awards for car repairs, while others are about to do so, and this business will, in turn, create orders for the plate market.

It is expected that limited buying by the farmers during the last year will bring them into the market more actively in the fall for many miscellaneous needs. Thus the steel industry will directly and indirectly benefit through the improved demand for tractors, farm implements, automobiles, and railway equipment to hald them. Lower freight rates will also help the farmer realize a larger net return on his products and bring into the market an important group of consumers who are at present buying little or nothing.

The president of a district interest states that the tonnage produced in June was larger than in May, which was the smallest of any month in years.

In the pipe market, business at present centers around the demand for the smaller sizes of merchant pipe. The lapweld market is quiescent and is adversely affected by the resale of offerings of holders in midcontinental oil fields. A Youngstown interest figures that such groups have an aggregate of 100,000 tons, which they are offering at prices under the primary market.

One district interest, which does not subscribe to the Amalgamated Association agreement in the sheet mill division, this week is working off an accumulation of orders aggregating several thousand tons. Recent sheet tonnage in the Mahoning Valley includes galvanized for roofing purposes. Sheet prices, under the reduction, are being quoted at 2.65c for No. 10 blue annealed, 3.50c for black and 4.50c for galvanized. These quotations compare respectively with 2.85c, 3.75c and 4.75c on the various grades, which have been nominally quoted. It is known, however, that the lower prices have been accepted by a number of district sheet makers on new tonnage for some time past.

Decline in bar iron prices, reflected in the recent wage adjustment, showing that prices on shipments for the last sixty days averaged 2.30c, against 2.55c the preceding two months, may be expected to continue. Reports reaching here are that bar iron is being offered in the east at 1.85c, Pittsburgh.

Further Wage Cuts Coming

Saggng of bar iron prices to the steel bar level means further substantial reductions in the wage rates of puddlers and finishers. At 2.30c puddlers' wages dropped from $12.52 per ton, as compared with a post-war mark of $18.76. At 1.85c the puddling rate would be $10.26 on the old scale, under which the mills are still working by reason of a clause which provided that it shall continue in effect for thirty days in event of failure to reach a new agreement. Even this price is nearly three times the rate paid in extremely low periods in past years.

Strip steel inquiry is slightly more active than it has been. Cold rolled strip has settled to aroun 5 cents, while hot rolled has declined to 2.60 cents, with a likelihood that tonnage could be booked at 2½ cents. Current demand is principally for the hot rolled, coming chiey from auto makers and makers of automobile parts.

In the raw materials market prime Western spelter has sold at 4¼ cents, and consumers are expecting a record low price of 4 cents for recent years to be realized before the swing upward begins.

Old material quotations are entirely nominal and based on what it is believed the market would be if any tonnage were moving. All around, such quotations are down 50 cents to $1 a ton.

The steel market in so far as the Shenango Valley is concerned appears weak and inactive. About the only activity displayed is at the sheet mill of the American Sheet and Tinplate Company, which is now running at full capacity. The Sharon Steel Hoop Company also has enjoyed a slight spurt in business. Leading blast furnace operators assert there is little likelihood of any of the fourteen furnaces of the Valley blowing in.

Henry W. Toney, president of the Sharon Pressed Steel Company, whose plant is operating at over 40 per cent of capacity, announced that satisfactory adjustments of financial difficulties have been made and the plant is now ready to make and cliver 1,500 truck and automobile frames daily. The company recently installed a 400-ton Mesta press.

The Standard Tank Car plant, which has been fairly active for some time, will close down next week for an indefinite period.

New Steel Price Far Below War Peak, but Above 1913 Level

MUCH has been said and written about business being held back because steel prices have not returned to pre-war levels. On their face the new quotations that were formally announced last week by the United States Steel Corporation, Bethlehem Steel, Republic Iron and Steel, Lackawanna Steel, Midvale and other companies, are still substantially above the prices that prevailed in 1913, which is considered as a typical pre-war level.

In making public the new schedule, which is now the same for all the important companies, President Grace of the Bethlehem Steel Corporation took occasion to state that some of the new prices are now actually below the pre-war average when present manufacturing costs are taken into consideration.

As an example he cited the new price for structural shapes, which is 2 cents a pound, or $44.80 a gross ton, the comparison with pre-war prices reflecting concretely the following three more important cost factors:

The increase over pre-war cost in transportation on ore, coal, limestone, scrap, and miscellaneous supplies amounted to $7.85 per ton of finished steel; the increase in the cost of coal, ore, limestone, alloys, refractories, lubricants and miscellaneous supplies at point of shipment amounted to $7.10 per ton of finished steel; the increase in the cost of labor under the present wage scale, as compared with pre-war wages in the company's steel plant proper, was $5.64 per ton of finished steel.

These items, according to Mr. Grace's calculation, account for an increase in present-day costs of $20.59 a ton of finished product. He then proceeds to conclude that the new price of $44.80 for structural steel is equivalent to a pre-war price of $24.21 per ton, or 1.08 cents a pound. This compares with a ten-year pre-war average of 1.51 cents per pound.

Putting aside, however, any consideration of the relativity of present and pre-war costs the following table shows the prices on leading products announced last week, compared with the 1913 price for the same products:

	Latest prices.	1913 prices.
Bars (100 lbs.)	$1.90	$1.40
Structural shapes (100 lbs.)	2.00	1.45
Plates (100 lbs.)	2.00	1.40
Sheet bars (ton)	35.00	25.00
Billets 4x4 (ton)	33.00	26.00
Slabs (ton)	34.00	27.00
Blue annealed sheets (100 lbs.)	2.65	1.65
Black sheets (100 lbs.)	3.50	2.25
Galvanized sheets (100 lbs.)	4.50	3.24
Tin plate (base box)	5.75	3.55
Skelp (100 lbs.)	2.00	1.45

These figures are from the files of The Iron Age.

Looking back over the course of prices on pig iron and steel products during the first six months of 1921 The Iron Age notes that the aggregate price reductions have varied according to products, the greatest drop being on galvanized sheets, the price of which at the end of June was $19 a ton below the January 1 quotation. Plates have declined $15 a ton, structural shapes $9 to $10, steel bars $7 to $8 and wire products $5 to $7. In pig iron the reductions have been proportionate. Basic Valley furnace declined $9.50 during the six-month period, while foundry iron at Philadelphia has shown a decline of about $8, at Chicago $12 and at Bi ingham $13.

Difficulies in the Way Of Holding Silk Prices

U. S. Consul in Japan Sees Trouble in Government's Efforts

There are a number of difficulties to be overcome in carrying out the policy of the Japanese government to maintain the price of silk by endeavoring to materially reduce the production during the present year, writes Consul Lester L. Schnare to the Department of Commerce. The government's program is fostered by silk merchants and speculators, who have large stocks of silk on their hands.

A reduction in output means a reduction in labor, which, in turn, necessitates a reduction in employees, which will leave many workers without means of earning a livelihood. This is unfortunate in the agricultural districts at this time, since simultaneous efforts are being made to reduce the production of rice and wheat in order to uphold the price of these commodities on the market.

In addition to these considerations, thousands of former farm laborers who have been employed during recent years in the factories and mills of the cities are now being released from the industries, which have had to curtail or cease their production. These laborers have nowhere to seek employment except in the country, and there is a great possibility that the surplus labor, which must be susceptible to employment at low wages, may lead to surreptitious growing of silkworms and thus increase, rather than diminish, this year's production.

37 States Seek to Curb Fake Stock Promoter

Thirty-seven states now have blue sky laws prohibiting or conditioning the sale or distribution of corporate and other securities, which in many cases have provided complicated problems for brokers, promoters, those responsible for reorganizations and exchanges of securities and others, whether of the Ponzi type or not. For the solution of these difficulties the Clark Boardman Company, Ltd., of New York, has published Blue Sky Laws, a book which gives the full text of the laws and general discussion of allied subjects.

The authors are Robert R. Reed and Lester H. Washburn and the preparation of the work was begun at the instance of the Investment Bankers' Association of America.

Delay Spring Underwear Offers

Jobbers and manufacturers of knitted underwear, who met in conference here last week, practically decided that the opening of spring, 1922, lines by manufacturers bedelayed until August 15 to September 1. In normal times most of the spring lines would be open now. There is a well founded belief among the jobbers that spring underwear will be slightly cheaper in price, compared to fall lines which have been on the market for some months, although many manufacturers assert that their present production is showing little or no profit, and in many cases an actual loss.

U. S. Sales Colony in London

An American sales colony is being built up in the vicinity of Bush International Sales Building, now under construction in London, according to Major R. G. Mitchell, who is connected with the Bush interests in London.

"Armour & Co.," he said, "have a new building at Kingsway. The Guaranty Trust Company, of New York, have obtained a London office. The Ingersoll Watch Company has opened a great block of offices and have their shops on the ground floor. The Eastman Kodak Company has fine offices, and a large number of other important American firms are now represented in London."

Depression Checks Clashes with Labor

Strikes Less Frequent as Workers Deem Time Unpropitious for Battling With Employers

THE low point in the number of strikes and lock-outs in the United States during the last five years was reached in 1920, when there were 3,109 strikes and 58 lock-outs reported by the Department of Labor. Statistics on strikes and lock-outs for the five-year period have been compiled by the department's Bureau of Labor Statistics and published by the department in the June Monthly Labor Review.

Throughout the five-year period New York has led all other states each year in the number of strikes. Last year New York led the list with 551 strikes, Massachusetts was second with 367, Illinois third with 242 and Pennsylvania fourth with 235.

Strikes Decline

Although the figures for 1920 are subject to later revision, the figures so far indicate that the number of strikes was less in that year than in any of the four preceding years. This reduction, according to the Department of Labor, was due to a lessening in strike activity during the last quarter of the year. During the first six months of the year more strikes occurred than during the first six months of 1919 or 1918, and more than twice as many occurred as during the last half of the year. "This," says the department, "appears to have been due to the slowing down of the mills during the summer, followed by shut-downs in the fall and the realization that a strike might result in no benefit to the laboring men, but on the other hand might probably be exactly what the employers desired."

Contrasted with 1919, last year saw fewer large strikes. In 1919 three strikes alone involved more than a million men. There were but few cases in which violence was resorted to sufficiently to attract more than local attention.

Last year the strike involving the largest number of men was that of the anthracite miners in September. Other large strikes were those of the clothing workers in New York City in December, when 65,000 employees went out; the strike of 60,000 miners in Illinois in July, 50,000 sugar workers in Porto Rico in February, 30,000 timber workers in the Northwest and 25,000 miners in Indiana, both in June.

Causes of Strife

Among the causes of strikes demands for increased wages led the list last year, with 1,316 strikes out of a total of 3,109. Demands for increased wages and decreased hours were responsible for 263 strikes, and discharge of employees for 139. ext on the list was recognition of the union and then recognition of the open or closed shop. The smallest number of strikes for any cause during the year apparently was caused by unsatisfactory food given employees, which was responsible for two strikes.

In lock-outs the largest number, eleven, was based on a decrease in wages, and the next largest number, ten, on an increase in wages.

Of the strikes last year 633 ended in favor of the employers and 360 in favor of the employees. Four hundred and twenty-nine were compromised.

The strikes in 1920, on an average, were more lengthy than those of the previous four years. In 1916 strikes averaged 22 days and lock-outs 64 days. In 1917 strikes averaged 18 days and lock-outs 56 days. In 1918 strikes averaged 17 days and lock-outs 19 days. In 1919 strikes averaged 34 days and lock-outs 38 days, and in 1920 strikes averaged 38 days and lock-outs 69 days. The total duration of strikes in 1920 amounted to 47,504 days, and of lock-outs 1,376 days.

The 5-Year Record

Appended is a table showing the num. of strikes and lock-outs beginning each month for the period from 1916 to 1920, inclusive:

Year	Jan.	Feb.	Mar.	April	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Mo. not st'd	Total
Strikes:														
1916	180	203	289	419	604	340	310	318	247	257	193	147	174	3,681
1917	274	204	308	431	451	313	444	353	340	318	251	185	452	4,324
1918	183	212	301	310	386	290	282	273	202	145	203	240	221	3,248
1919	194	189	185	255	404	310	373	401	391	318	155	119	150	3,444
1920	221	183	269	398	398	301	286	245	218	170	92	74	254	3,109
Lockouts:														
1916	8	3	5	15	13	14	3	8	5	4	4	2	24	108
1917	14	7	10	14	12	10	4	7	9	4	6	12	17	126
1918	8	11	11	11	6	6	6	5	10	—	5	10	16	105
1919	5	8	6	14	26	12	6	10	13	8	6	6	5	125
1920	2	6	7	4	5	2	5	6	3	7	2	3	6	58
Total:														
1916	188	206	294	434	617	354	313	326	252	261	197	149	198	3,789
1917	288	211	318	445	463	323	448	360	349	322	257	197	469	4,450
1918	191	223	312	321	392	296	288	278	212	145	208	250	237	3,353
1919	199	197	191	269	430	322	379	411	404	326	161	125	155	3,569
1920	223	189	276	402	403	303	291	251	221	177	94	77	260	3,167

The foregoing table reveals that the number of strikes beginning in May of each year is the highest for any month. This is due to the fact that trade agreements in many industries terminate on the last day of April, and the unions generally ask for an increase in wages in the making of a new labor agreement with their employers.

German Goods Gain in Mexico

Compete With American Products Especially in Paper and Electrical Goods

The bulk of Mexico's export trade consists of metals (silver, gold, copper, and lead), cattle (driven into the United States especially for safety), raw materials and agricultural products, writes Consul Cornelius Ferry jr. to the Department of Commerce. The most important manufactured products, besides metals, are sugar and cotton goods. Cotton goods are exported to the United States in bond for transshipment to other countries, especially to South America. The important raw materials exported are crude petroleum, fibers (henequin, ixtle and cotton lint), hides, chicle, coffee and vanilla. Practically all of the exports of Mexico go to the United States.

Following the armistice in November, 1918, there was great activity in imports of goods to replenish stocks which had been depleted by war-trade restrictions. Quantities purchased, however, were limited to immediate demands as falling prices were anticipated. During 1919 imports were steady, but seldom exceeded the immediate demands of the market. There was little disposition to restock, as prices remained high, while the purchasing power of the people remained low.

Early in 1920 importers anticipated a stronger purchasing power as the mines throughout the country were in full operation and the return to agricultural pursuits was general. The only check on the import trade was the inability of American manufacturers to deliver goods and insufficient transportation facilities.

Most Imports From United States

By far the greater portion of imports came from the United States, but the resumption of trade relations with Europe immediately resulted in the appearance of European salesmen and connections with former markets. Great quantities of dolls from Dresden flooded the market in time for Christmas; also aluminum kitchenware from Germany. But these were from accumulations of German goods in European ports which had been stopped in transit by the war. They did not represent new industry in Germany nor a present ability to compete with American goods.

It is believed that very little merchandise recently imported from Germany is the product of post-war industry. The most important German firms in Mexico are dealers in hardware, and these continue to import heavily from the United States. A conspicuous instance of competition with post-war German industry is in the line of electrical equipment, which is gaining a foothold by means of lower prices and liberal terms of payment.

American Products Undersold

An important instance of successful German competition in Mexico is in the paper trade. In stationery, print paper and wall paper (all of the best quality) their prices are lower than any other source of supply, including domestic manufacturers. This is the product of post-war industrial activity. Other lines of imports which compete successfully with American goods are toilet articles (chiefly perfumery), cheap jewelry, and soap from France and textiles from England.

The most important export trade to Mexico is carried on by houses which have representatives residing in Mexico City or which have business houses established here carrying stocks of goods. Salesmen from abroad also visit this country and appoint local houses to represent their goods and act as distributors throughout the country. Foreign exporters who try to reach Mexican markets by correspondence and catalogues only meet with a comparatively small measure of success and encounter many obstacles through misunderstandings, breach of contract, the levying of customs duties and through misplaced confidence.

In certain heavy lines of business German representatives have completely installed the equipment which they have exported and have agreed to see it in successful operation for a year before even discussing the terms of payment. In ordinary commercial transactions German exporters are offering as much as twelve and eighteen months' time.

U. S. Steel's Unfilled Orders Decline Again

Books on June 30 Show Total on Hand of 5,117,868 Tons

Unfilled orders of the United States Steel Corporation at the end of June showed a continuation of the decline in new business that has been going on steadily since the corresponding month a year ago, when they amounted to 10,978,817 tons. The bookings on June 30 stood at 5,117,868, a decrease of 364,619 tons, compared with the unfilled orders on hand at the close of May.

According to trade authorities, there is as yet no sign that the price reductions have attracted much new business. The outlook is that the Steel Corporation will show another drop in its unfilled orders for July, as this is normally a dull month, any way.

The unfilled orders on hand at the end of June compared with the record total of 12,183,083 tons in April, 1917.

Chinese Boy Emperor Still Kept Prisoner

Expected Coup by Gen. Chang Fails to Materialize; Internal Dissensions Occupy Leaders

PEKING, June 4.—The Chinese newspapers are freely and openly discussing prospects of a far-reaching change in Chinese affairs which they have declared is possible, and even probable this summer.

One of the dominant figures to whom all experienced observers look for an initial movement in bringing about the predicted change is General Chang Tsi-lin, Military Governor of Manchuria, whose influence in the capital is now paramount. The prevailing belief is that General Chang is favorable to the restoration to the Chinese throne of the boy Emperor, who has long been a prisoner in the Forbidden City. There was widespread expectation that Chang would inaugurate in the spring or early summer a movement to put the boy Emperor back on the throne, but it has not thus far materialized.

This in turn has given way to internal dissensions between Chang and other leaders. Cabinet changes have ensued and there has been talk of suppressing the independent movement at Canton. While the newspapers discuss the whole subject quite freely, yet there is nothing authoritative and little opportunity to substantiate the reports so freely circulated.